

Introducing eFO electronic Financial Officer

Have you ever had an accountant tell you...
"You sure made a lot of money this year and owe a lot of taxes!!!"

And of course you replied,
"If I made so much money, Where is it!!!"

This is the MAIN reason it is necessary to monitor your business on a **MONTHLY** basis. If you are making or losing money, you do not want to know it at the end of the year but monthly. Monthly analysis of your key business key performance indicators (KPI's) gives you the direction you need to make the profit you deserve.

Let your financial statements **"talk"** to you. There is just so much information buried in your P&L and Balance Sheet. Only a trained Accountant can find it. Let **eFO** do all the work for you to find these hidden **Cash** and **Profit** opportunities.

eFO will provide to you on a monthly basis:

Executive Action Report Specific for HVAC companies

Key Performance Metrics compared to Industry



Key Performance Metrics



Cooler's Heating & Cooling

Executive Action Summary

Dear John Cooler,

Here is this month's Profit Gap report. This report covers from October 31, 2011 to October 31, 2012, in monthly periods, with a focus on the last month of October 2012. This Executive Action Summary identifies the top opportunities found from your financial data in the areas of Cash Lost and Profitability. Please look for additional details in the enclosed report. We strongly encourage you to review your financial information on at least a monthly basis to see if you are growing your company. Making a profit increases the net worth or value of your company while losses decrease the net worth. You MUST grow within your Contracting business to provide for your family, employees and customers. This is YOUR roadmap, so use it to become successful! Also, most reports show substantial opportunity for improvement. Start with one key area and prove that you can make meaningful improvements. If you only improve your business 1% per month, that can have a dramatic impact on cash flow and profitability.

CASH LOST

The last period in this report, October 31, 2012, indicates the largest Cash Lost opportunity is Accounts Receivable based on the goal set for Receivable Days. Cooler's Heating & Cooling has \$82,021 cash opportunity in Receivables. For each day you decrease your Receivable terms with your customers, Cooler's Heating & Cooling will have a positive Cash impact of \$11,110.

PROFIT

As of October 31, 2012, Cooler's Heating & Cooling's most significant Profit opportunity is Gross Margin based on the goal set for Gross Margin percentage, Cooler's Heating & Cooling is short of it's Gross Margin goal by \$8,385. For each 1% increase in Gross Margin, Cooler's Heating & Cooling will have a positive Profit impact of \$3,333.

Best regards,

Ron Collier PhD.
 President
 Collier Consulting Group, Inc.
 800-858-1670

Cooler's Heating & Cooling

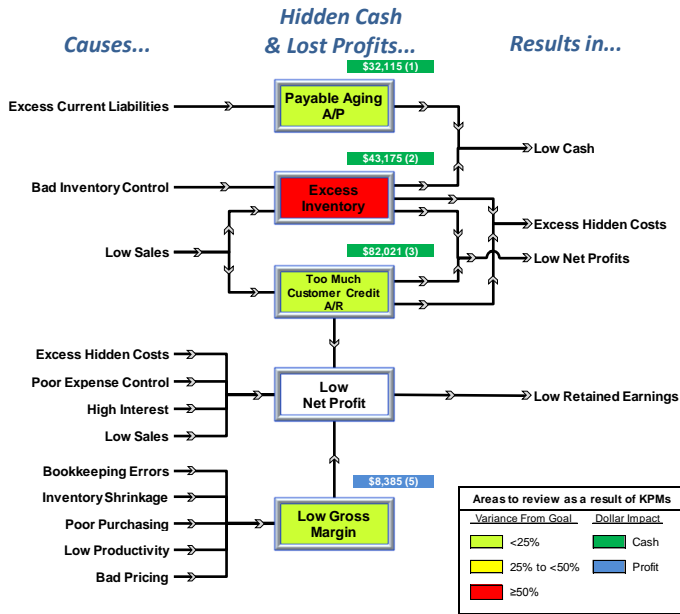
Report Period Ending	Calculations	Actual Annualized	Two (2) Months Ago	Last Month	Current Month + Performance to Goal	Month-to-Month Trend	Industry Standard		
							8/31/12	9/30/12	10/31/12
10/31/2012									
SHORT TERM RATIOS: Liquidity & Profitability									
Current Ratio	Current Assets / Current Liabilities	1.176,669 / 959,908 = 1.1	1.1	1.1	1.2	▲	1.6	1.6	1.3
Quick Ratio	(Cash + Accts. Rcv. - Current Liabilities) / Current Liabilities	(604,499 - 959,908) / 959,908 = 0.5	0.5	0.5	0.6	▲	1.2	1.2	1.0
Gross Margin	Gross Profit / Sales	233,653 / 414,084 = 46.4%	44.6%	42.1%	56.4%	▲	58.5%	53%	44%
Net Margin	Net Profit Before Tax / Sales	159,067 / 414,084 = 6.4%	4.7%	-3.2%	38.4%	▲	2.9%	3%	2%
CASH CONVERSION CYCLE ELEMENTS									
Inventory Turn-Days	Inventory X 30 Days / COGS (COS)	51,263 X 30 / 180,432 = 10	9	10	9	▼	1	1	1
Accounts Receivable Turn-Days	Receivables X 30 Days / Sales	531,599 X 30 / 414,084 = 53	49	55	39	▼	33	33	30
Average Payment Period-Days	Payables X 30 Days / COGS (COS)	230,565 X 30 / 180,432 = 48	47	48	39	▼	44	44	37
Cash Conversion Cycle	Inv Days + Rcv Days - Payment Days	8.6 + 39.0 - 38.9 = 14	11	17	9	▼	-10	10	12
RATIOS OF: Equity & Assets*									
Sales to Assets	Sales / Total Assets	999,875 X 4 / 1,175,919 = 3.0	2.9	2.9	3.4	▲	0.3	0.3	0.2
Return on Assets	Net Profit Before Tax / Total Assets	165,877 X 4 / 1,175,919 = 19%	12.0%	-2.5%	56.4%	▲	14.0%	14%	11%
Return on Equity	Net Profit Before Tax / Equity	165,877 X 4 / 191,155 = 108%	88.2%	-19.0%	347.1%	▲	58.9%	59%	48%
Debt to Equity	Total Liabilities / Equity	984,764 / 191,155 = 6.0	6.3	6.6	5.2	▼	1.2	1.2	1.0

*NOTE: RATIOS OF: Equity & Assets use last 3 month rolling total annualized for the numerator.
 NA designates the Metric is not of value in this company.

Actual Performance to Goal Key
 Better than Goal
 ≤ 25% away from Goal
 Greater than 25% from Goal
 Greater than 50% from Goal or Negative Value



Financial flow to show you where your money is going



Footnotes

- (1) Payments are 5 days faster than the goal of 44 days with a \$32,115 negative Cash Impact.
- (2) Inventory is 7 days over the goal of 1 days with a \$43,175 negative Cash Impact.
- (3) Customer Credit / Accounts Receivable is 6 days over the goal of 33 days with a \$82,021 negative Cash Impact.

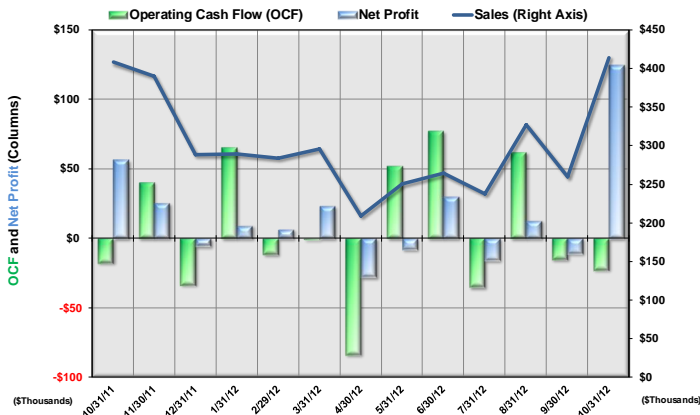
Financial Summary of Cash & Profit Opportunities

Cash and Profit Impact		
Issue	Cash Tied Up	Profit Opportunities
Receivables	\$82,021	
Inventory	\$43,175	
Payables	\$32,115	
Discounts		\$4,611
Gross Margin		\$8,385
Net Margin		
Total	\$157,310	\$12,996

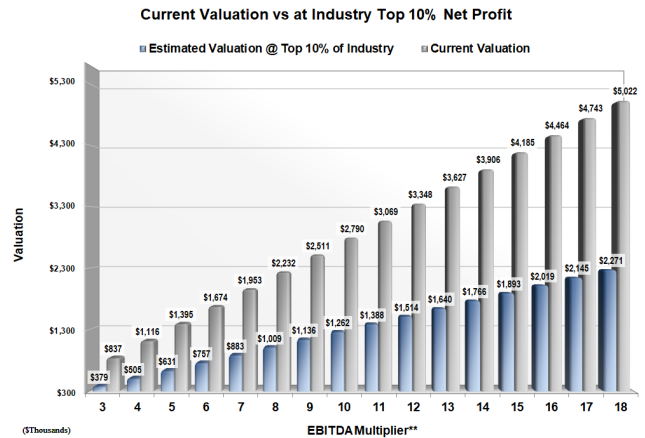
Sensitivity Analysis to show the minor changes you need to improve Profitability

Sensitivity Analysis	
Metric	Impact
Cash Conversion Metrics	
Inventory Turn-Days =	1-Day Sensitivity* \$5,683 per day
Accounts Receivable Turn-Days =	\$11,110 per day
Average Payable Payment Period =	\$5,683 per day
Margin Metrics (Month)	
Margin (Gross or Net) =	1% Margin Sensitivity** \$3,333 per 1%

Trend Chart showing Sales, Net Profit and Cash Flow



Valuation of your company monthly



eFO will link and pull data from your qb quickbooks online or desktop automatically or... you can enter your accounting data manually.

Special pricing for Collier Consulting Group, Inc. clients is only \$49.95 per month with the first month FREE!!!

To start your free trial:



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Using QuickBooks Online



Manual Entry (for non-QuickBooks Users)